

In the claims:

For the convenience of the Examiner, all claims being examined, whether or not amended, are presented below.

1. **(Previously presented)** A method of making a cartilaginous prosthesis, comprising seeding a polymeric matrix construct with chondrocytes and contacting the seeded construct with a hydrophobically modified hedgehog polypeptide which binds to patched and activates hedgehog signaling, which hedgehog polypeptide comprises a sequence of a naturally-occurring hedgehog polypeptide or N-terminal autoproteolytic fragment thereof, wherein the seeded construct is contacted with at least 500 ng/ml of said modified hedgehog polypeptide, and wherein said hydrophobically modified hedgehog polypeptide is modified with two palmitoyl moieties.

2. **(Original)** The method of claim 1, wherein the chondrocytes are articular chondrocytes.

3-4. **(Cancelled)**

5. **(Previously presented)** The method of claim 1, wherein the hydrophobically modified hedgehog polypeptide is dipalmitoyl sonic hedgehog or dipalmitoyl indian hedgehog.

6. **(Previously presented)** The method of claim 5, wherein the seeded construct is contacted with the dipalmitoyl hedgehog polypeptide at a concentration of at least 500 ng/ml.

7. **(Previously presented)** The method of claim 6, wherein the seeded construct is contacted with the dipalmitoyl hedgehog polypeptide at a concentration of between 500 and 1000 ng/ml, and wherein the hedgehog polypeptide is a sonic hedgehog polypeptide.

8. **(Previously presented)** The method of claim 1, wherein the polymeric matrix is selected from any of polyglycolid acid, collagen, dextran sulfate, polyanhydride, polyorthoester, hyaluronic acid-based polymers, and a glycosaminoglycan.

9-15. **(Cancelled)**